

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-06 ISO-00 IO-10 CAB-02 CIAE-00

COME-00 DODE-00 DOTE-00 INR-05 NSAE-00 RSC-01 FAA-00

L-02 SS-15 H-01 SSO-00 NSC-05 NSCE-00 INRE-00 PA-01

PRS-01 USIE-00 /069 W

----- 099290

O R 250445Z NOV 74

FM AMCONSUL MELBOURNE

TO SECSTATE WASHDC IMMEDIATE 2446

INFO AMEMBASSY CANBERRA

AMCONSUL SYDNEY

AMEMBASSY LONDON

AMCONSUL MONTREAL

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MONTREAL FOR ICAO REPRESENTATIVE

E.O. 11652: N/A

TAGS: EARI, AS

SUBJECT: CIVAIR: AUSTRALIA-EUROPE PROPOSED AIR FARE INCREASE

REF: MELBOURNE 1355

1. AT APPROXIMATELY 7 PM ON FIRDAY NIGHT, NOVEMBER 22, PAN AMERICAN AND ALL OTHER INTERNATIONAL AIRLINES IN AUSTRALIA NOTIFIED BY ATG, THROUGH A TELEX MESSAGE, THAT THE NEW EXCURSION FARES BETWEEN AUSTRALIA AND EUROPE WOULD BE EFFECTIVE DECEMBER 1 AND THAT NO OTHER FARES WOULD BE AUTHORIZED.

2. THE SEVEN AIRLINES INVOLVED IN THE FARE INCREASE ARE QANTAS, KLM, ALITALIA, UTA, LUFTHANSA, OLYMPIC AND BRITISH AIRWAYS. THE TWO AIRLINES INVOLVED ON THE BRITISH LEG THROUGH THE USA ARE PAN AMERICAN AND BRITISH AIRWAYS. HOWEVER,
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AFTER APRIL 1975, BRITISH AIRWAYS WILL DROP A DIRECT FLIGHT

AND SUBSTITUTE POOLING ARRANGEMENTS WITH AIR NEW ZEALAND FROM LOS ANGELES. THIS WILL BE CALLED A BA SERVICE, BUT IT WILL ACTUALLY BE AN ANZ AIRPLANE ON THE LOS ANGELES/LONDON LEG.

3. THE EXACT TEXT OF THE MESSAGE FROM ATG TO THE AIRLINES FOLLOWS:

QUOTEH3124 AUSTRALIA/EUROPE PROMOTIONAL FARES (UNDERLINED)
IN MESSAGE HTX 7925 OF 05 APRIL 19 72 THE DEPARTMENT
ADVISED OF THE PASSENGER FARES APPROVED BY THE AUSTRALIAN AUTHORITIES FOR APPLICATION BETWEEN AUSTRALIA AND EUROPE. ALTHOUGH CERTAIN AMENDMENTS TO THESE FARE LEVELS HAVE SUBSEQUENTLY BEEN APPROVED, THE BASIC PATTERN OF PROMOTIONAL FARES HAS REMAINED UNCHANGED.

SINCE 1972 ATTEMPTS TO AGREE FARES BETWEEN AUSTRALIA AND EUROPE THROUGH THE IATA MACHINERY HAVE BEEN UNSUCCESSFUL. IN THE LIGHT OF THIS, QANTAS AND THE DESIGNATED AIRLINES OF EUROPEAN COUNTRIES WITH AIR SERVICES AGREEMENTS WITH AUSTRALIA HAVE MET AND REACHED AGREEMENT ON A REVISED PATTERN OF PROMOTIONAL FARE BETWEEN AUSTRALIA AND THE RESPECTIVE EUROPEAN COUNTRIES.

THIS FARE PATTERN, AS SPECIFIED IN QTN.P 18/74 DATED 01 OCTOBER, 1974, HAS BEEN APPROVED BY THE AUSTRALIAN AUTHORITIES ON THE GROUNDS INTER ALIA THAT IT PROVIDES A MORE COST RELATED FARE STRUCTURE WITH APPROPRIATE DIFFERENTIALS BETWEEN FARES FOR TRAVEL VIA THE MOST DIRECT AND OTHER ROUTINGS AND THAT IT PROVIDES EXPANDED OPPORTUNITIES FOR EXCURSION FARE TRAVEL BY REDUCING THE MINIMUM STAY REQUIREMENT FROM 45 TO 21 DAYS.

IN THE INTERESTS OF MAINTAINING AN ORDERLY MARKETING SITUATION DURING A PERIOD WHEN FARES BETWEEN AUSTRALIA AND EUROPE ARE NOT THE SUBJECT OF A FORMAL IATA AGREEMENT, THE AUSTRALIAN AUTHORITIES CONSIDER THAT THE ABOVE REVISED FARE PATTERN SHOULD BE APPLIED BY ALL AIRLINES FOR TRAVEL ON THE ROUTES CONCERNED TO AND FROM AUSTRALIA COMMENCING ON OR AFTER 01 DECEMBER 1974.

THE DEPARTMENT THEREFORE WISHES TO ADVISE ALL INTERESTED PARTIES AS FOLLOWS:

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- (1) AUSTRALIAN APPROVAL OF THE EXISTING PROMOTIONAL FARES VIA ALL ROUTES BETWEEN AUSTRALIA AND EUROPE EXPIRES ON 30 NOVEMBER 1974.
- (2) REVISED PROMOTIONAL FARES ARE TO APPLY VIA ALL ROUTES BETWEEN AUSTRALIA AND EUROPE FROM 01 DECEMBER 1974 AS APPROVED BY THE AUSTRALIAN GOVERNMENT ON THE BASIS SPECIFIED IN A DEPARTMENTAL CIRCULAR BEING FORWARDED SEPARATELY ON 25 NOVEMBER. PARTICULAR NOTE SHOULD BE TAKEN OF THE REVISED FARE DIFFERENTIALS FOR

TRAVEL ON ROUTES BETWEEN AUSTRALIA AND EUROPE VIA NORTH AMERICA
AND AFRICA.

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SS-15 H-01 SSO-00 INRE-00 NSC-05 NSCE-00 PA-01 PRS-01

USIE-00 /059 W

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(3) THE FARES AND CONDITIONS REFERRED TO IN THE IMMEDIATELY
PRECEDING PARAGRAPH (2) ARE THE ONLY TARIFF OF CHARGES APPROVED
BY THE AUSTRALIAN AUTHORITIES FOR TRAVEL VIA ALL ROUTES BETWEEN
AUSTRALIA AND EUROPE WEF 01 DECEMBER 1974 AND ALL PARTIES ARE
REMIND OF THEIR OBLIGATIONS UNDER THE AIR NAVIGATION REGU-
LATIONS NOT TO CHARGE LESS THAN THE AUTHORISED TARIFF OF CHARGES.

(4) APPLICATIONS ARE HEREBY INVITED FROM AIRLINES OPERATING THROUGH
OR CONNECTING SERVICES BETWEEN AUSTRALIA AND EUROPE FOR
APPROVAL TO APPLY TO AND FROM AUSTRALIA THE PROMOTIONAL FARES
REFERRED TO IN PARAGRAPH (2) ABOVE. NO OTHER PROMOTIONAL FARES
VIA ANY ROUTE BETWEEN AUSTRALIA AND EUROPE HAVE THE APPROVAL OF
THE AUSTRALIAN AUTHORITIES AFTER 30 NOVEMBER 1974.

GRATEFUL YOU ACKNOWLEDGE RECEIPT OF THIS MESSAGE. UNQUOTE.

4. COMMENT: THE CAREFUL WORDING OF THE ATG MESSAGE ADMITS
IN SO MANY WORDS THAT AN OPEN RATE SITUATION EXISTS AND
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THAT AIRLINES ARE FREE TO PRICE AS THEY WISH. WHAT
THE AUSTRALIAN/EUROPEAN GROUP'S ACTION DOES IS TO
TAKE ADVANTAGE OF THIS OPEN RATE TO SET FARES FOR
ITS OWN ADVANTAGE AND TO PENALISE THE COMPETITION.
QANTAS APPEARS TO BE BANKING ON THE FACT THAT SINCE
THE USG HAS SAID SIXTH FREEDOM ACTIVITY IS ALL RIGHT
THERE WILL BE NO REPERCUSSIONS FROM US. UNDERSTAND
THAT PAA HQ TARIFF DIVISION HAS ADVISED NETWORK THERE
WILL BE NO CHANGE IN RELEVANT TARIFF FOR AUSTRALIA/EUROPE
VIA USA AND THAT REPRESENTATIONS HAVE BEEN MADE TO
WASHINGTON FOR INTERVENTION.
BRAND

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Message Attributes

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Capture Date: 01 JAN 1994
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Control Number: n/a
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Draft Date: 25 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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